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Senate

The Senate met at 9:30 a.m. and was called to order by the President pro tempore [Mr. THURMOND].

The PRESIDENT pro tempore. Today our prayer will be offered by the guest Chaplain, Dr. Carl F. Schultz, Jr., First Church of Christ Congregational, Glastonbury, CT.

We are glad to have you with us.

PRAYER

The guest Chaplain, Dr. Carl F. Schultz, Jr., offered the following prayer:

Oh God, Scripture reminds us that those who wait upon You shall renew their strength; they shall walk and not faint. In the confidence of that glorious promise, we wait upon You in prayer with joy and thanksgiving.

O Creator God, we thank You for the gift of this new day. We thank You for the gift of life, full of potential and promise. We thank You for the beauty we see all about us these spring days, as nature comes alive at Your call.

O God of hope, help us to live sustained by Your hope. O God of love, empower us so that our deeds mirror Your love and compassion. O God of wisdom, may our decisions reflect Your truth.

Gracious God, bless each Senator this day, each staff member, each person who serves in this place. Guide, guard, protect, and nudge them to be open to Your spirit.

O God, pour Your power on Your people, that each of us might see ever more clearly what You require, that we might live justly, love mercy and kindness, and walk humbly with You and with one another, till at last justice rolls down like water and righteousness like an ever-flowing stream. Shalom. Amen.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The able acting majority leader is recognized.

SCHEDULE

Mr. SMITH of Oregon. Mr. President, on behalf of the majority leader, I wish to announce that today at 9:40 a.m. the Senate will resume consideration of S. 414, the ocean shipping reform bill. Under a previous unanimous consent agreement, there will be 20 minutes of debate remaining on the Gorton amendment No. 2287 which is pending to the shipping bill. At 10 a.m., the Senate will proceed to two stacked rollcall votes. The first vote will be on or in relation to the Gorton amendment, followed by a vote on the motion to table the Kennedy amendment No. 2289 to the Coverdell education bill.

Further, the Senate will stand in recess between the hours of 12:30 and 2:15 for the weekly party caucuses. When the Senate reconvenes at 2:15, under a previous unanimous consent agreement, there will be two stacked rollcall votes. The first vote will be on or in relation to the Glenn amendment No. 2017, followed by a vote on or in relation to the Mack-D'Amato amendment No. 2288. Following those votes, Senators should expect further votes throughout Tuesday's session as Members offer and debate their amendments to the Coverdell education bill.

I thank my colleagues for their attention. I thank the Chair.

Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

Mrs. HUTCHISON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. SMITH of Oregon). Without objection, it is so ordered.

Mrs. HUTCHISON. Mr. President, I ask unanimous consent to speak as if in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

SHIPPING REFORM

Mrs. HUTCHISON. Mr. President, I am going to take the 2 or 3 minutes we have before we begin the debate on the Gorton amendment just to familiarize my colleagues with the bill that is before us, the Ocean Shipping Reform Act of 1998, and give an overview of the bill.

This is something that I think has been a long time coming. What we are trying to do is open our ports and give our carriers and our shippers more of an opportunity to compete with foreign competitors where they have been at a disadvantage in the past because our markets were so open that they were transparent in their contracts to the extent that many shippers would go to foreign carriers in order to escape the requirement to have so much openness and on the other hand carriers would be able to compete at a disadvantage to our shippers because they knew everything about a contract and they could undercut that contract.

So it has not been a good situation. Particularly our ports that are near Canada or are near Mexico have felt a loss of business because of the competition from the foreign carriers. What we are trying to do is level the playing field for American shippers, American carriers, and try to help American ports get more of the business, which we think, of course, would create more jobs for our port cities.

So what we tried to do was balance the interests. We want transparency. We want openness. But we also want to allow the privacy of contracting to the extent that shippers and carriers can make contracts which they ought to be able to do privately, and as long as everything is open in competition it should be an open marketplace.

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.



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I would not say this is a perfect bill. Certainly nothing we ever pass is just the way we would pass it if we alone wrote it. But we are not alone. We have 100 Members. We have a Commerce Committee that debated this bill, that worked on it for a long time. In fact, we have been working on it for 2 years, and it has been a compromise bill. But I think everyone will be better off as a result of this effort.

I appreciate the support of the Commerce Committee. It has been a major achievement for the Commerce Committee. I appreciate the work of Senator LOTT, our majority leader, who is very interested in this matter. I appreciate the work of Senator GORTON and Senator BREUX, both of whom have worked very diligently to try to hone the balance in this bill.

Senator GORTON has an amendment. There was one part of the bill that he felt needed changing. So he is going to debate that amendment. I think the bill should pass as it is because I think the balancing has been done.

So with that, I will yield the floor. I know we have a unanimous consent agreement that at 9:40 we will begin the debate on the Gorton amendment. And Senator BREUX will be arguing on the other side for the committee.

Thank you, Mr. President.

OCEAN SHIPPING REFORM ACT OF 1997

The PRESIDING OFFICER. Under the previous order, the hour of 9:40 a.m. having arrived, the Senate will now resume consideration of S. 414, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 414) to amend the Shipping Act of 1984 to encourage competition in international shipping and growth of United States imports and exports, and for other purposes.

The Senate resumed consideration of the bill.

Pending:

Hutchison amendment No. 1689, in the nature of a substitute.

Gorton amendment No. 2287 (to amendment No. 1689) to provide rules for the application of the act to intermediaries.

AMENDMENT NO. 2287

The PRESIDING OFFICER. There will now be 20 minutes of debate prior to the vote on or in relation to the Gorton amendment No. 2287.

Mr. GORTON addressed the Chair.

The PRESIDING OFFICER. The Senator from Washington.

PRIVILEGE OF THE FLOOR

Mr. GORTON. Mr. President, I ask unanimous consent to allow a Commerce Committee staffer, Jim Sartucci, the privilege of the floor during the remainder of the debate on this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GORTON. I also ask unanimous consent that my own assistant, Jeanne Bumpus, be granted the privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GORTON. Mr. President, the 1984 Shipping Act significantly brought openness and competition into the field of ocean shipping, a field dominated for decades by cartels, by fixed prices, by underhanded competition, and by, very frequently, the victimization of those who ship their goods by sea.

This 1998 set of amendments to the Shipping Act further opens up the process to competition and allows the business of ocean shipping to operate far more like most of the rest of the free market in the United States, with one exception. If you are a large shipper of goods by sea, sophisticated, a major customer, you deal directly with the ocean carrier, and those relationships with the ocean carrier are made much more flexible, much more subject to competition, by this bill.

If, on the other hand, you are a modest shipper, a small or medium-sized shipper, perhaps someone new to the business of exporting your goods from the United States of America, you don't, as a general practice, deal directly with the ocean carrier, you deal with a middleman, a consolidator, a freight forwarder. That small businessman in the various ports of the United States gathers together shipments to the same place from a number of different shippers and makes the arrangements with the ocean carrier.

As this bill was debated and reported from the Committee on Commerce, it treated both of these groups in an identical fashion. Each got the benefits of the bill; each got the benefits of competition.

Somewhere, however, between the Commerce Committee and the floor, the big boys got together behind closed doors, and a combination of the ocean carriers and the longshoremen's unions, working with a handful of Senators, determined that the small business people would not get these advantages, that they would continue to have to operate, under most circumstances, under the requirements of the 1984 act.

Under the 1984 act, they were treated identically. If this bill passes without my amendment, they will no longer be treated identically. The small shipper will be discriminated against. The small businessman who is a freight forwarder will be discriminated against. The big guys will get away with something.

It is curious, Mr. President, that neither the small shippers nor the freight forwarders were included in the negotiations that led to the revised bill, the substantive bill that is before us, as against the bill that came out of the Commerce Committee. The big boys got together, shafted the small business people on both sides, and now present this bill to you with the statement, "Take it or leave it; it's tough, but we've made a deal with the longshoremen's unions because they think that they may not get some of the

business from these small businessmen, and you're just simply going to have to take it that way."

I don't think that is the way the laws ought to be made. I don't think that is the way we ought to deal as Senators. We make wonderful speeches at home, all of us, about the sanctity of small business, but here we are asked to discriminate against small business and in favor of big business.

If we adopt my amendment, we will simply put this bill back into the same condition in which it found itself when it was reported by the Commerce Committee—everyone treated equally, everyone the beneficiary of a freer market than we have at the present time—and we will have done our duty to all of our constituents and not just to those who are able to afford expensive lobbyists in Washington, DC.

The bill, in its present form, is unfair to small businesses. It discriminates against small businesses. The bill as reported from the Commerce Committee did not do so. We should restore provisions that the Commerce Committee saw fit to include in the bill.

Mr. BREUX addressed the Chair.

The PRESIDING OFFICER. The Senator from Louisiana.

Mr. BREUX. Thank you, Mr. President.

I would imagine that all Members of the Senate who are vitally interested in this legislation must be here this morning to follow these very complicated, very detailed arguments. This, indeed, is incredibly complicated. It just always continues to amaze me how complicated some of these international shipping agreements can become. It is part of the reason why it took 4 years to put together this legislation. This is not something that just came to the floor overnight but is the result of 4 years of painful negotiating and compromise among people who ship packages and cargo, people who carry packages and cargo internationally.

Mr. President, 96 percent of our cargoes carried internationally are on shipping vessels. It also has involved, to a large extent, the people who put together packages for people to ship in order to make it more efficient than it has been in the past.

Like all other compromises that normally are reached, everybody doesn't get everything they want. I think this legislation is an example of what a true compromise is. This legislation clearly is incredibly important because it further deregulates the shipping industry and makes it more competitive than it has been in the past.

But in reaching that compromise among all of the Senators who are involved, including Senator GORTON and Senator KAY BAILEY HUTCHISON, who has done such a terrific job as the chairman of our subcommittee, Senator LOTT's involvement, Senator INOUE's involvement—everybody on the committee has been deeply involved on this very complicated issue, like I said, for 4 years.